

**VOLUME SUBMITTER MONEY PURCHASE PLAN
ADOPTION AGREEMENT**

**SECTION 1
EMPLOYER INFORMATION**

1-1 EMPLOYER INFORMATION:

Name: City of Lincoln, Nebraska

Address:

555 S. 10th Street

Lincoln, NE 68508

Telephone: (402) 441-7883

Fax: _____

1-2 EMPLOYER IDENTIFICATION NUMBER (EIN): 47-6006256

1-3 FORM OF BUSINESS:

☐ C-Corporation

☐ S-Corporation

☐ Partnership

☐ Limited Liability Partnership

☐ Limited Liability Company taxed as partnership

☐ Limited Liability Company taxed as corporation

☐ Government

☒ Government exempt from ERISA (see Section 11.09 of Plan)

☐ Sole Proprietor

☐ Other: _____

[Note: Any entity entered under "Other" must be a legal entity recognized under federal income tax laws.]

1-4 EMPLOYER'S TAX YEAR END: The Employer's tax year ends 8/31

1-5 RELATED EMPLOYERS: List any Related Employers (as defined in Section 1.108 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b).

[Note: The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]

**SECTION 2
PLAN INFORMATION**

2-1 PLAN NAME: City of Lincoln Retirement Plan for Unclassified Department Heads

2-2 PLAN NUMBER: 006

2-3 TYPE OF PLAN: This Plan is a Money Purchase Defined Contribution Plan.

2-4 PLAN YEAR:

☒ (a) Calendar year

☐ (b) The 12-consecutive month period ending on ____ each year.

☐ (c) The Plan has a short Plan Year running from ____ to ____.

2-5 MULTIPLE EMPLOYER PLAN: Is this Plan a Multiple Employer Plan as defined in Section 1.78 of the Plan? (See Section 16.07 of the Plan for special rules applicable to Multiple Employer Plans.)

☐ Yes

☒ No

2-6 **PLAN ADMINISTRATOR:**

- ☒ (a) The Employer identified in AA §1-1.
- ☐ (b) Name: _____
- Address: _____
- Telephone: _____

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES:** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

- ☐ (a) No exclusions.
- ☐ (b) Collectively Bargained Employees.
- ☐ (c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income.
- ☐ (d) Leased Employees.
- ☐ (e) Employees paid on an hourly basis.
- ☐ (f) Employees paid on a salaried basis.
- ☐ (g) Commissioned Employees.
- ☐ (h) Highly Compensated Employees.
- ☐ (i) Non-Key Employees who are Highly Compensated.
- ☒ (j) Other: The Mayor of the City of Lincoln or any employee appointed by the Mayor or other appointing authority as an unclassified department head or administrative assistant to an elected official are eligible employees. All other employees of the City of Lincoln are excluded.

[*Note: An exclusion of Employees under (d) - (j) above could cause the Plan to fail the minimum coverage requirements under Code §410(b). If subsection (j) is completed to designate a class of Employees excluded under the Plan, such Employee class must be defined in such a way that it precludes Employer discretion and may not be based on time or service (e.g., part-time Employees) and may not provide for an exclusion designed to cover only Nonhighly Compensated Employees with the lowest amount of compensation and/or the shortest periods of service who may represent the minimum number of Nonhighly Compensated Employees necessary to satisfy the coverage requirements under Code §410(b).]*

SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below).

- (a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.
- ☐ (1) There is no minimum service requirement for participation in the Plan.
- ☐ (2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
- ☐ (3) The completion of ____ [*cannot exceed 12*] consecutive full calendar months of employment during which the Employee is credited with at least ____ [*cannot exceed 1,000*] Hours of Service or the completion of a Year of Service (as defined in AA §4-3), if earlier. [*If no minimum Hours of Service are required, insert one (1) in the second blank line.*]
- ☐ (4) The completion of ____ [*cannot exceed 1,000*] Hours of Service during an Eligibility Computation Period. [*If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.*]
- ☐ (5) Full-time Employees are eligible to participate immediately. Employees who are “part-time” Employees must complete a Year of Service (as defined in AA §4-3).

For this purpose, a part-time Employee is any Employee whose normal work schedule is less than:

- ☐ (i) _____ hours per week.
- ☐ (ii) _____ hours per month.
- ☐ (iii) _____ hours per year.

☐ (6) Two (2) Years of Service. *[Full and immediate vesting must be chosen under AA §8.]*

☐ (7) Under the Elapsed Time method. See AA §4-3(c) below.

☒ (8) Describe eligibility conditions: Employee is eligible immediately upon employment provided they agree to make employee contributions pursuant to Section 6-6(g).

[Note: Any conditions provided under (8) must satisfy the requirements of Code §410(a). A condition provided under (8) may not cause an Employee to enter the Plan later than the first Entry Date following the completion of a Year of Service (as defined in AA §4-3).]

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age to participate under the Plan.

- ☒ (1) There is no minimum age for Plan eligibility.
- ☐ (2) Age 21.
- ☐ (3) Age 20½.
- ☐ (4) Age _____ (not later than age 21).

4-2 **ENTRY DATE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date.
[Note: If any of (b) – (g) is completed, also complete one of (h) – (k).]

- ☐ (a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
- ☐ (b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
- ☐ (c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
- ☒ (d) **Monthly.** The first day of each calendar month.
- ☐ (e) **Payroll period.** The first day of the payroll period.
- ☐ (f) **The first day of the Plan Year.** *[If this (f) is checked, see Section 2.03(b)(2) of the Plan for special rules that apply.]*
- ☐ (g) **Describe:** _____

[Note: Any provisions under this subsection (g) must satisfy the requirements of Code §410(a) and may not violate the nondiscrimination requirements of Code §401(a)(4).]

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

- ☐ (h) **next following** satisfaction of the minimum age and service requirements.
- ☒ (i) **coinciding with or next following** satisfaction of the minimum age and service requirements.
- ☐ (j) **nearest** the satisfaction of the minimum age and service requirements.
- ☐ (k) **preceding** the satisfaction of the minimum age and service requirements.

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.68 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the Plan).
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed, the default eligibility rules apply.**

- ☐ (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [must be less than 1,000] Hours of Service during an Eligibility Computation Period.
- ☐ (b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.
- ☐ (c) **Elapsed Time method.** [Check this (c) only if AA §4-1(a)(6) above is also checked.] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a ____ [not to exceed 24 month] period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.)
- ☐ (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to:
- ☐ (1) All Employees.
- ☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method.

- ☐ (3) **Monthly.** 190 Hours of Service for each month worked.
- ☐ (4) **Daily.** 10 Hours of Service for each day worked.
- ☐ (5) **Weekly.** 45 Hours of Service for each week worked.
- ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.
- ☐ (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan.)
- ☐ (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
- ☒ (g) **Special eligibility provisions:** Years of Service means a 12 month period during which an employee performs 20 hours of service and works more than 5 months during the plan year.

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

- ☐ An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to minimum age and/or service requirements (as designated below):
- ☐ (a) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)
- ☐ (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)
- ☐ (c) ____ [insert date]

An Eligible Employee who is employed on the designated date will become eligible to participate in the Plan without regard to the

- ☐ (d) minimum service
- ☐ (e) minimum age requirements under AA §4-1 above.

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-6.

In addition, service with the following Predecessor Employers also will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under (b) below. (See Sections 2.06, 3.09(d) and 7.06 of the Plan.)

- ☐ (a) Identify Predecessor Employer(s):

•

- ☐ (b) Service with the Predecessor Employer(s) identified in (a) above will not apply for the following purposes:
- ☐ (1) Eligibility
 - ☐ (2) Vesting
 - ☐ (3) Allocation conditions

- ☐ (c) The limitations in (b) above only apply to the following Predecessor Employers:

• _____

[Note: If this (c) is not checked, any limitations in (b) apply to all Predecessor Employers listed in (a) above.]

SECTION 5 COMPENSATION DEFINITIONS

- 5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.127 of the Plan for a specific definition of the various types of Total Compensation.

- ☐ (a) W-2 Wages
- ☒ (b) Code §415 Compensation.
- ☐ (c) Wages under Code §3401(a).

[For purposes of determining Total Compensation, each definition includes Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

- 5-2 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

- ☒ (a) No exclusions.
- ☐ (b) Elective Deferrals (as defined in Section 1.44 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
- ☐ (c) All fringe benefits, expense reimbursements, deferred compensation, and welfare benefits are excluded.
- ☐ (d) Compensation above \$_____ is excluded.
- ☐ (e) Amounts received as a bonus are excluded.
- ☐ (f) Amounts received as commissions are excluded.
- ☐ (g) Overtime payments are excluded.
- ☐ (h) Amounts received for services performed for a non-signatory Related Employer are excluded.
- ☐ (i) "Deemed §125 compensation" as defined in Section 1.127 of the Plan.
- ☐ (j) Amounts received after termination of employment are excluded (see Section 1.127 of the Plan).
- ☐ (k) Describe adjustments to Plan Compensation: _____

[Note: Unless designated otherwise under subsection (k), any exclusions selected under subsections (e) – (k) (other than subsection (i)) may cause the definition of Plan Compensation to fail to satisfy a safe harbor definition of compensation under Code §414(s). To ensure that the definition of Plan Compensation satisfies Code §414(s) for purposes of determining allocations under the permitted disparity allocation formula under AA§6-3(b), any adjustments under (e) through (k) (other than subsection (i)) will only apply to Highly Compensated Employees for purposes of applying the permitted disparity provisions. Any modification under subsection (k) must be definitely determinable and preclude Employer discretion.]

- 5-3 **PERIOD FOR DETERMINING COMPENSATION.**

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s). [If (2), (3) or (4) is checked, any reference to the Plan Year as it refers to Plan Compensation will be deemed to be a reference to the period designated below.]

- ☒ (1) The Plan Year.
- ☐ (2) The calendar year ending in the Plan Year.
- ☐ (3) The Employer's fiscal tax year ending in the Plan Year.
- ☐ (4) The 12-month period ending on ____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** In determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan will be taken into account.

To count compensation for the entire Plan Year, including compensation earned while an individual is not a Participant, check below.

- ☐ All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

SECTION 6 EMPLOYER CONTRIBUTIONS

- 6-1 **EMPLOYER CONTRIBUTIONS.** The Employer will contribute to the Plan each Plan Year the amount determined under the Employer Contribution formula designated in AA §6-2 below.

- 6-2 **EMPLOYER CONTRIBUTION FORMULAS.** For the period designated in AA §6-5 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below.

☒ (a) **Fixed contribution.**

- ☒ (1) **Fixed percentage.** 9____% of each Participant's Plan Compensation.

- ☐ (2) **Fixed dollar.** \$_____ for each Participant.

☐ (b) **Permitted disparity contribution.**

- ☐ (1) **Individual method.** The Employer will contribute:

- ☐ (i) _____% of each Participant's Plan Compensation plus

- ☐ (ii) _____% of each Participant's Excess Compensation.

[Note: The percentage of Excess Compensation may not exceed the Maximum Disparity Rate. See Section 3.02(b)(2)(i)(C) of the Plan.]

- ☐ (2) **Group method.** The Employer will contribute _____% (not more than 25%) of total Plan Compensation of all Participants who satisfy the allocation conditions under AA §6-6 below. The Employer Contribution will be allocated under the two-step permitted disparity formula (as described in Section 3.02(a)(1)(ii)(A) of the Plan). However, for any Plan Year in which the Plan is Top Heavy, the four-step permitted disparity formula applies (as described in Section 3.02(a)(1)(ii)(B) of the Plan). See Section 3.02(b)(2)(ii) of the Plan.

☐ (3) **Modification of permitted disparity rules.**

- ☐ (i) **Integration Level.** For purposes of determining the permitted disparity contribution under (1) or (2) above, instead of the Taxable Wage Base (as defined in Section 1.122 of the Plan), the Integration Level is:

- ☐ (A) _____% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:

☐ (I) N/A

☐ (II) \$1

☐ (III) \$100

☐ (IV) \$1,000

- ☐ (B) \$_____ (not to exceed the Taxable Wage Base)

- ☐ (C) 20% of the Taxable Wage Base, reduced by \$1

[Note: See Section 3.02(b)(2)(i)(C) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]

- ☐ (ii) **Four-step permitted disparity formula.** For purposes of applying the group method under (2) above:

- ☐ (A) The four-step permitted disparity formula will always be used.

- ☐ (B) The four-step permitted disparity formula will never be used, even if the Plan is Top Heavy.

- ☐ (c) **Contribution for designated Employee groups.** The Employer will make an Employer Contribution to the Participants in the following designated groups. The amount to be contributed with respect to a designated Employee group will be determined under subsection (2) below.

(1) **Designated Employee groups.**

- ☐ (i) **Group 1:** _____
- ☐ (ii) **Group 2:** _____
- ☐ (iii) **Group 3:** _____
- ☐ (iv) **Group 4:** _____
- ☐ (v) **Group 5:** _____
- ☐ (vi) **Additional group(s):** _____

[Note: The Employee groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(b)(3) of the Plan for restrictions that apply with respect to "short-service" Employees. In the case of self-employed individuals (i.e., sole proprietorships or partnerships), the requirements of 1.401(k)-1(a)(6) continue to apply, and the allocation method should not be such that a cash or deferred election is created for a self-employed individual as a result of application of the allocation method.]

(2) **Employer Contribution percentages.**

- ☐ (i) The contribution for each Participant in **Group 1** will be:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$____.
- ☐ (C) Maximum amount permitted under Code §415.
- ☐ (ii) The contribution for each Participant in **Group 2** will be:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$____.
- ☐ (C) Maximum amount permitted under Code §415.
- ☐ (iii) The contribution for each Participant in **Group 3** will be:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$____.
- ☐ (C) Maximum amount permitted under Code §415.
- ☐ (iv) The contribution for each Participant in **Group 4** will be:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$____.
- ☐ (C) Maximum amount permitted under Code §415.
- ☐ (v) The contribution for each Participant in **Group 5** will be:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$____.
- ☐ (C) Maximum amount permitted under Code §415.
- ☐ (vi) Describe the contribution for any additional groups designated under (1)(vi) above:
- _____

- ☐ (d) **Age-based contribution.** The Employer will contribute ____% of each Participant's adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.04 of the Plan).

A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under (1) or (2) below, the Plan will use a designated interest rate of 8.5% and a UP-1984 mortality table.

- ☐ (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ____% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.

- ☐ (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: ____

[Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)-12.]

- ☐ (e) **Service-based contribution.** The Employer will make the following contribution based on units of service designated under (3) – (5) below.

☐ (1) **Fixed percentage.** ____% of Plan Compensation paid for each period of service designated below.

☐ (2) **Fixed dollar.** \$ ____ for each period of service designated below.

The service-based contribution selected under this (e) will be based on the following periods of service:

☐ (3) Each Hour of Service

☐ (4) Each week of employment

☐ (5) Describe period: _____

[Note: Any period described in subsection (5) must apply uniformly to all Participants and cannot exceed a 12-month period.]

- ☐ (f) **Prevailing Wage Formula.** The Employer will make a contribution for each Participant's Prevailing Wage Service based on the hourly contribution rate for the Participant's employment classification. (See Section 3.02(a)(4) of the Plan.)

☐ (1) **Offset of other contributions.** The contributions under the Prevailing Wage Formula will offset other Employer Contributions under the Plan.

☐ (2) **Modification of default rules.** Section 3.02(a)(4) of the Plan contains default rules for administering the Prevailing Wage Formula. Complete this subsection (2) to modify the default provisions.

☐ (i) **Application to Highly Compensated Employees.** Instead of applying only to Nonhighly Compensated Employees, the Prevailing Wage Formula applies to all eligible Participants, including Highly Compensated Employees.

☐ (ii) **Minimum age and service conditions.** Prevailing Wage contributions are subject to a one Year of Service (as defined in AA§4-3) and age 21 minimum age and service requirement with semi-annual Entry Dates.

☐ (iii) **Vesting.** Instead of 100% immediate vesting, Prevailing Wage contributions will vest under the following vesting schedule (as defined in Section 7.02 of the Plan).

☐ (A) Six-year graded vesting schedule

☐ (B) 3-year cliff vesting schedule

[Note: Overriding the default provisions under this subsection (2) may restrict the ability of the Employer to take full credit for Prevailing Wage Contributions for purposes of satisfying its obligations under applicable federal, state or municipal prevailing wage laws. See Section 3.02(b)(6) of the Plan.]

- ☐ (g) **No contributions – frozen Plan.** This Plan is a frozen Plan effective _____. (See Section 3.02(b)(7) of the Plan.)

- ☒ (h) **Voluntary Contribution.** Each Participant may elect to contribute a portion of their compensation as an additional After-Tax Voluntary Contribution.

6-3 **SPECIAL CONTRIBUTION RULES.** There are no special rules that apply with respect to Employer Contributions under the Plan, except as designated under this AA §6-3.

- ☐ (a) **Safe Harbor Contributions.** In addition to any Employer Contributions designated in AA §6-2 above, the Employer will make a contribution to this Plan designed to satisfy the Safe Harbor 401(k) Plan provisions under the ____ *[insert name of Safe Harbor 401(k) Plan]*. Any Safe Harbor Contribution made under this Plan will be determined in accordance with the provisions of the above referenced Safe Harbor 401(k) Plan.

- ☐ (b) **Offset of Employer Contribution.** A Participant's contribution under this Plan is reduced by contributions under _____ *[insert name of plan(s)]*. (See Section 3.02(d) of the Plan.) *[Note: If this (b) is checked, attach an Addendum to this Adoption Agreement describing how such offset will be applied.]*

6-4 **ALLOCATION OF TOP HEAVY CONTRIBUTIONS.** No special rules apply with respect to Top Heavy Contributions under the Plan, except to the extent designated under this AA §6-4.

- ☐ If this AA §6-4 is checked, any Top Heavy minimum contribution required under Section 4 of the Plan will be allocated to all Participants, including Key Employees.

6-5 **PERIOD FOR DETERMINING EMPLOYER CONTRIBUTION.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation earned during the following period: *[This AA §6-5 may not be checked if the permitted disparity method is selected under AA §6-2(b) above.]*

- ☐ (a) Plan Year quarter. ☐ (b) calendar month.
☒ (c) payroll period. ☐ (d) Other: .

[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this AA §6-5, this does not require the Employer to actually make contributions on the basis of such period. Employer Contributions may be contributed to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6-5. Any alternative period designated under subsection (d) may not exceed a 12-month period and will apply uniformly to all Participants.]

6-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. *[Note: The allocation conditions under this AA §6-6 do not apply to Prevailing Wage Contributions under AA §6-2(f), unless provided otherwise under AA §6-2(f)(2). See AA §4-5 for treatment of service with Predecessor Employers for purposes of applying the allocation conditions under this AA §6-6.]*

- ☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.
- ☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
- ☐ (1) ____ (not to exceed 500) Hours of Service during the Plan Year.
- ☐ (2) ____ (not more than 91) consecutive days of employment with the Employer during the Plan Year.
- ☐ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- ☐ (d) **Minimum service condition.** An Employee must be credited with at least:
- ☐ (1) ____ Hours of Service (not to exceed 1,000) during the Plan Year.
- ☐ (2) ____ (not more than 182) consecutive days of employment with the Employer during the Plan Year.
- ☐ (e) **Application to a specified period.** The allocation conditions selected under this AA §6-6 apply on the basis of the Plan Year. If the Employer will base its Employer Contributions on a periodic basis (as designated in AA §6-5(a)), this (e) may be checked to allow the allocation conditions under this AA §6-6 to be applied with respect to such period. (See Section 3.09(a) of the Plan.)
- ☐ (f) **Exceptions.**
- ☐ (1) The above allocation condition(s) will **not** apply if the Employee:
- ☐ (i) dies during the Plan Year.
- ☐ (ii) terminates employment due to becoming Disabled.
- ☐ (iii) terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.
- ☐ (iv) terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.
- ☐ (2) The exceptions selected under (f)(1) do not apply to:
- ☐ (i) the employment condition under subsection (c) above.
- ☐ (ii) the minimum service condition under subsection (d) above.
- ☒ (g) **Special Rules.** To share in Employer Contributions, each participant must agree to contribute 7% of their compensation to the Plan. The Employer will "pick-up" these contributions as allowed under Code §414(h)(2) and the Plan will treat these contributions as Employer Contributions under the Plan.

SECTION 7
RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE:** Normal Retirement Age under the Plan is:

- ☒ (a) Age 62 (not to exceed 65).
☐ (b) The later of (1) age ____ (not to exceed 65) or (2) the ____ (not to exceed 5th) anniversary of the date the Employee commenced participation in the Plan.
☐ (c) ____ (may not be later than the maximum age permitted under subsection (b)).

7-2 **EARLY RETIREMENT AGE:**

- ☐ (a) There is no Early Retirement Age under the Plan.
☒ (b) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
☒ (1) Attainment of age 50
☐ (2) The ____ anniversary of the date the Employee commenced participation in the Plan, and/or
☒ (3) The completion of 25 Years of Service, determined as follows:
☐ (i) Same as for eligibility.
☒ (ii) Same as for vesting.

SECTION 8
VESTING AND FORFEITURES

8-1 **VESTING OF EMPLOYER CONTRIBUTIONS.** The Employer Contributions authorized under AA §6 will vest in accordance with the vesting schedule designated under AA §8-2 and AA §8-3, as applicable.

8-2 **NORMAL VESTING SCHEDULE.** The normal vesting schedule under the Plan is as follows. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2. [*Note: Any Prevailing Wage Contributions under AA §6-2(f) are always 100% vested (unless provided otherwise under AA §6-2(f)(2).)*]

- ☒ (a) Full and immediate vesting.
☐ (b) Three-year cliff vesting schedule
☐ (c) Five-year cliff vesting schedule
☐ (d) Six-year graded vesting schedule
☐ (e) Seven-year graded vesting
☐ (f) Modified vesting schedule
 __% after 1 Year of Service
 __% after 2 Years of Service
 __% after 3 Years of Service
 __% after 4 Years of Service
 __% after 5 Years of Service
 __% after 6 Years of Service
 100% after 7 Years of Service

[*Note: If a modified vesting schedule is selected, the vested percentage for every Year of Service must satisfy the vesting requirements under the 7-year graded vesting schedule, unless 100% vesting occurs after no more than 5 Years of Service.*]

8-3 **TOP HEAVY VESTING SCHEDULE.** For any Plan Year the Plan is Top Heavy (and for all subsequent Plan Years), the Top Heavy vesting schedule selected in this AA §8-3 applies, unless provided otherwise under AA §8-6.

- ☒ (a) Full and immediate vesting
☐ (b) Three-year cliff vesting schedule
☐ (c) Six-year graded vesting schedule

- ☐ (d) Modified vesting schedule
 ___% after 1 Year of Service
 ___% after 2 Years of Service
 ___% after 3 Years of Service
 ___% after 4 Years of Service
 ___% after 5 Years of Service
 100% after 6 Years of Service

[Note: If a modified vesting schedule is selected, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service.]

8-4 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

- ☒ (a) None, all service with the Employer counts for vesting purposes.
☐ (b) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.
☐ (c) Service completed before the Employee's ___ (not to exceed 18th) birthday is excluded.

[Note: See Section 7.06 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]

8-5 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- ☒ (a) dies
☒ (b) terminates employment due to becoming Disabled
☐ (c) reaches Early Retirement Age

8-6 **SHIFT TO/FROM TOP HEAVY VESTING SCHEDULE.** For a Plan Year in which the Plan is a Top Heavy Plan, the Plan automatically shifts to the Top Heavy Plan vesting schedule. Once a Plan uses a Top Heavy Plan vesting schedule, that schedule will continue to apply for all subsequent Plan Years.

To override this default provision, check below:

- ☐ If a Plan switches from Top Heavy status to non-Top Heavy status, the Plan will shift to the normal vesting schedule selected in AA §8-2 beginning with the Plan Year in which the Plan ceases to be Top Heavy.

[Note: The rules under Section 7.08 of the Plan will apply when a Plan shifts to or from a Top Heavy Plan vesting schedule.]

8-7 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.68 of the Plan for the definition of Hours of Service.)
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.07 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-7. If this AA §8-7 is not completed, the default vesting rules apply.

- ☐ (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ [must be less than 1,000] Hours of Service during a Vesting Computation Period.

- ☐ (b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is:

☐ (1) The 12-month period beginning with the anniversary of the Employee's date of hire.

☐ (2) Describe: _____

[Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]

- ☐ (c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the Plan.)

- ☐ (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a)(2) of the Plan). The Equivalency Method will apply to:
- ☐ (1) All Employees.
 - ☐ (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked.
- If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method.
- ☐ (3) **Monthly.** 190 Hours of Service for each month worked.
 - ☐ (4) **Daily.** 10 Hours of Service for each day worked.
 - ☐ (5) **Weekly.** 45 Hours of Service for each week worked.
 - ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.
- ☐ (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the Plan)
- ☐ (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.07(b) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.

8-8 **ALLOCATION OF FORFEITURES.** Any forfeitures occurring during a Plan Year will be:

- ☐ (a) Reallocated as additional Employer Contributions.
- ☒ (b) Used to reduce Employer Contributions.

Forfeitures will be applied:

- ☒ (c) for the Plan Year in which the forfeiture occurs.
- ☐ (d) for the Plan Year following the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under this AA §8-8:

- ☒ (e) Forfeitures will be used to pay Plan expenses.
- ☐ (f) Forfeitures will not be used to pay Plan expenses.

8-9 **SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

- (a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-9(a).

- ☐ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-9(b).

- ☐ A forfeiture will occur upon the completion of ____ [cannot exceed 5] consecutive Breaks in Service (as defined in Section 7.07(a) of the Plan).

SECTION 9

DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution. In addition to any Qualified Joint and Survivor Annuity (as required under Section 9 of the Plan), a Participant may take a distribution of his/her entire vested Account Balance in a single lump sum, unless designated otherwise under subsection (e) below.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

- ☒ (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.
- ☐ **Minimum distribution amount.** A Participant may not take a partial lump sum distribution of less than \$_____.
- ☒ (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).
- ☒ (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 8 of the Plan.
- ☒ (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan.
- ☒ (e) **Describe: Joint and Survivor Annuity Rules do not apply pursuant to 11.09 of the Basic Plan Document.**
[Note: Any distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 **QUALIFIED JOINT AND SURVIVOR ANNUITY RULES.** In addition to the distribution options described in AA §9-1 above, the Plan will make a distribution in the form of a QJSA, unless the QJSA is waived pursuant to a Qualified Election (see Section 9.04 of the Plan).

To modify the Qualified Joint and Survivor Annuity provisions under Section 9 of the Plan, complete this AA §9-2.

- ☐ (a) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the spouse's survivor benefit is:
- ☐ (1) 100%. ☐ (2) 75%. ☐ (3) 66-2/3%.
- ☐ (b) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.
- ☐ (c) **One-year marriage rule.** The one-year marriage rule does not apply unless this (c) is checked. See Section 9.04(c)(2) of the Plan.

9-3 **TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:
- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) the completion of ____ Breaks in Service.
- ☐ (5) the end of the calendar quarter following the date the Participant terminates employment.
- ☐ (6) attainment of Normal Retirement Age, death or becoming Disabled.
- ☐ (7) Describe: _____
[Note: Any distribution event described in (7) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]
- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:
- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) Describe: _____
[Note: Any distribution event described in (4) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-4 **DISTRIBUTION UPON DISABILITY**

- (a) **Termination of Disabled Employee.** A Participant who terminates employment on account of becoming Disabled may receive a distribution of his/her vested Account Balance in the same manner as a regular distribution upon termination, unless provided otherwise under this AA §9-4(a).
- ☐ (1) Distribution will be made as soon as reasonable following the date the Participant terminates on account of becoming Disabled.
- ☐ (2) Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates on account of becoming Disabled.
- ☐ (3) Describe: _____
[Note: Any distribution event described in (3) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]
- (b) **Definition of Disabled.** A Participant is treated as Disabled if such Participant satisfies the conditions in Section 1.36 of the Plan.
- To override this default definition, check below and insert the definition of Disabled to be used under the Plan.
- ☐ Alternative definition of Disabled: _____
[Note: Any alternative definition described above will apply uniformly to all Participants under the Plan. In addition, any alternative definition of Disabled may not discriminate in favor of Highly Compensated Employees.]

9-5 **SPECIAL RULES.**

- (a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.
- Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants.
- ☐ (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.03(b) of the Plan for special rules upon Plan termination.)
- ☒ (2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:
- ☒ (i) \$1,000
- ☐ (ii) \$_____ (must be less than \$5,000)
- (b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000 (to the extent available under the Plan).
- To override this default provision, check this subsection (b).
- ☐ Check this (b) to apply the Automatic Rollover provisions under Section 8.06 of the Plan to all Involuntary Cash-Out Distributions (including those below \$1,000).
- (c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.
- ☒ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.
- [Note: This (c) should be checked if a lower Involuntary Cash-Out Distribution is selected in (a)(2) above in order to avoid the Automatic Rollover provisions described in Section 8.06 of the Plan. Failure to check this (c) could cause the Plan to be subject to the Automatic Rollover provisions if a Participant receives a distribution attributable to Rollover Contributions that exceeds \$1,000.]*
- (d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.
- To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.
- ☐ Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

SECTION 10
IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

- 10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.
- ☒ (a) No in-service distributions are permitted.
- ☐ (b) Attainment of Normal Retirement Age.
- 10-2 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.
- ☐ (a) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.
- ☐ (b) A Participant may not take an in-service distribution of less than \$____ (may not exceed \$1,000).
- 10-3 **REQUIRED BEGINNING DATE – NON-5% OWNERS.** In applying the required minimum distribution rules under Section 8.12 of the Plan, the Required Beginning Date for non-5% owners is:
- ☒ (a) the later of attainment of age 70½ or termination of employment.
- ☐ (b) the date the Employee attains age 70½, even if the Employee is still employed with the Employer.
- 10-4 **REQUIRED DISTRIBUTIONS AFTER DEATH.** If a Participant dies before distributions begin and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule (as described in Section 8.12(e)(1) of the Plan) or the life expectancy method described under Sections 8.12(a) and (c) of the Plan apply. (See Section 8.12(e)(2) of the Plan for rules regarding the timing of an election authorized under this AA §10-4.)
- Alternatively, if selected below, any death distributions to a Designated Beneficiary will be made under the 5-year rule (as described in Section 8.12(e)(1) of the Plan).
- ☐ The five-year rule under Section 8.12(e)(1) of the Plan applies (instead of the life expectancy method).

SECTION 11
MISCELLANEOUS PROVISIONS

- 11-1 **VALUATION DATES.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:
- ☒ (a) **Daily.** The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
- ☐ (b) **Monthly.** The Plan is valued at the end of each month of the Plan Year.
- ☐ (c) **Quarterly.** The Plan is valued at the end of each Plan Year quarter.
- ☐ (d) **Describe:** _____
- [Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.]*
- 11-2 **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.66 of the Plan), the following rules apply:
- ☒ (a) The **Top-Paid Group Test** does not apply.
- ☐ (b) The **Top-Paid Group Test** applies.
- ☐ (c) The **Calendar Year Election** applies. *[This (c) may be chosen only if the Plan Year is not the calendar year. If this (c) is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.66(d) of the Plan.]*

11-3 SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION. The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.

- ☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending ____.

[Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.]

- ☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled. (See Section 5.03(c)(7)(iii) of the Plan.)

11-4 SPECIAL RULES FOR MORE THAN ONE PLAN.

- (a) **Top Heavy minimum contribution – Defined Contribution Plan.** If the Employer maintains this Plan and one or more Defined Contribution Plans, any Top Heavy minimum contribution will be provided under this Plan. (See Section 4.04(e)(1) of the Plan.)

To provide the Top Heavy minimum contribution under another Defined Contribution Plan, complete this subsection (a).

- ☐ (1) The Top Heavy minimum contribution will be provided in the following Defined Contribution Plan maintained by the Employer: _____
- ☐ (2) Describe the Top Heavy minimum contribution that will be provided under the other Defined Contribution Plan: _____
- ☐ (3) Describe Employees who will receive the Top Heavy minimum contribution under the other Defined Contribution Plan: _____

- (b) **Top Heavy minimum contribution – Defined Benefit Plan.** If the Employer maintains this Plan and one or more Defined Benefit Plans, any Top Heavy minimum contribution will be provided under this Plan, but the minimum required contribution is increased from 3% to 5% of Total Compensation for the Plan Year. (See Section 4.04(e)(2) of the Plan.)

To provide the Top Heavy minimum benefit under a Defined Benefit Plan, complete this subsection (b).

- ☐ (1) The Top Heavy minimum benefit will be provided in the following Defined Benefit Plan maintained by the Employer: _____
- ☐ (2) Describe the Top Heavy minimum benefit that will be provided under the Defined Benefit Plan: _____
- ☐ (3) Describe Employees who will receive Top Heavy minimum benefit under the Defined Benefit Plan: _____

- (c) **Code §415 Limitation.** If the Employer maintains another Defined Contribution Plan in which any Participant is a participant, the rules set forth under Section 5.03(b)(5) of the Plan apply.

To modify the default provisions under Section 5.03(b)(5) of the Plan, designate how such rules will apply.

- ☐ Instead of applying the default rules under Section 5.03(b)(5) of the Plan, the Employer will limit Annual Additions in the following manner: _____

[Note: Any method designated above must provide for the proper reduction of any Excess Amounts and must preclude Employer discretion in accordance with Treas. Reg. §1.415-1(d)(2).]

11-5 FAIL-SAFE COVERAGE PROVISION. If the Plan fails the minimum coverage test under Code §410(b) due to the application of an allocation condition under AA §6-6, the Employer must amend the Plan in accordance with the provisions of Section 14.02(a) of the Plan to correct the coverage violation.

Alternatively, the Employer may elect under this AA §11-5 to apply a Fail-Safe Coverage Provision that will allow the Plan to automatically correct the minimum coverage violation.

- ☐ The Fail-Safe Coverage Provision (as described under Section 14.02(b)(1) of the Plan) applies.

[Note: If the Fail-Safe Coverage Provision applies, the Plan may not perform the average benefit test to demonstrate compliance with the coverage requirements under Code §410(b), except as provided in Section 14.02 of the Plan.]

11-6 **PROTECTED BENEFITS.** There are no protected benefits (as defined in Code §411(d)(6)) other than those described in the Plan.

To designate protected benefits other than those described in the Plan, check the box below and describe the protected benefits in an Addendum to this Agreement.

- ☒ Additional protected benefits are provided to Participants in addition to those described in the Plan. See the Addendum attached to this Adoption Agreement for a description of such protected benefits.

APPENDIX A
SPECIAL EFFECTIVE DATES

- ☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:
- ☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:
- ☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:
- ☒ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:
The 9% Fixed Contribution Provision and the required employee contribution provision are effective for eligible employees hired after April 1, 2011. Eligible Employees hired prior to April 1, 2011 are eligible for the employer contribution percentage stated in the prior plan document and are not required to make an employee contribution.
- ☐ A-5 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:
- ☐ A-6 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:
- ☐ A-7 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:
- ☐ A-8 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:
- ☐ A-9 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:
- ☐ A-10 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.04 of the Plan apply, except as follows:
- ☐ A-11 **Other special effective dates:**

APPENDIX B
LOAN POLICY

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- ☐ (a) Yes. ☒ (b) No.

B-2 **LOAN PROCEDURES.**

- ☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.
- ☐ (b) Loans will be provided under a separate written loan policy. *[If this (b) is checked, do **not** complete the remainder of this Appendix B.]*

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-3.

- ☐ A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance. *[If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]*

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- ☐ (a) A Participant may have ____ loans outstanding at any time.
- ☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-5.

- ☐ (a) The prime interest rate
- ☐ (1) plus ____ percentage point(s).

☐ (b) Describe: _____

[Note: Any interest rate described in this AA §B-5 must be reasonable and must apply uniformly to all Participants.]

B-6 **MINIMUM LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount, complete (a) or (b) below.

- ☐ (a) There is no minimum loan amount.
- ☐ (b) The minimum loan amount is \$____.

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-7.

- ☐ A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(d)(1)(i) of the Plan.

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without reexecuting this Agreement by substituting an updated Appendix C with new elections.

- C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.07 of the Plan.)
- ☐ (a) No
- ☒ (b) Yes
- ☒ Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.07(d) of the Plan.)

- C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)
- ☐ (a) No
- ☒ (b) Yes

[Note: The Employer may designate in separate written procedures the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]

- C-3 **LIFE INSURANCE.** Are **life insurance** investments permitted? (See Section 10.08 of the Plan.)
- ☒ (a) No
- ☐ (b) Yes

- C-4 **QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.06 of the Plan apply?
- ☐ (a) No
- ☒ (b) Yes

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

- ☐ (a) The adoption of a **new plan**, effective _____ [insert Effective Date of Plan].
- ☒ (b) The **restatement** of an existing plan, effective April 1, 2011 [insert Effective Date of Plan].
- (1) Name of Plan(s) being restated: City of Lincoln Retirement Plan for Unclassified Department Heads.
- (2) The original effective date of the plan(s) being restated: 8-1-1982
- ☐ (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Identify the Adoption Agreement section(s) being amended: _____
- (2) Effective Date(s) of such changes: _____
- ☐ (d) To identify a **Successor Employer**. Check this selection if a successor to the signatory Employer is continuing this Plan as a Successor Employer. Complete this Employer Signature Page and substitute a new page 1 under this Adoption Agreement to identify the Successor Employer. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date of the amendment is: _____

VOLUME SUBMITTER SPONSOR INFORMATION. The Volume Submitter Sponsor will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Volume Submitter Sponsor of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the Favorable IRS Letter to the Volume Submitter Sponsor (or authorized representative) at the following location:

Name of Volume Submitter Sponsor: ASC Institute, LLC.

Address: P.O. Box 630828, Littleton, CO 80163

Telephone number: (800) 950-2082

IMPORTANT INFORMATION ABOUT THIS VOLUME SUBMITTER PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the National Office of the Internal Revenue Service to the Volume Submitter Sponsor as evidence that the Plan is qualified under Code §401, to the extent provided in Rev. Proc. 2005-16. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2005-16. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer must apply to the office of Employee Plans Determinations of the Internal Revenue Service for a determination letter. See Section 1.62 of the Plan.

By signing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. The Employer understands that the Volume Submitter Sponsor has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

City of Lincoln, Nebraska

(Name of Employer)

Don Taute

(Name of authorized representative)

(Title)

(Signature)

(Date)

